

**ASSEMBLY BILL**

**No. 256**

**Introduced by Assembly Member De La Torre**

February 8, 2005

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An act relating to public employees' health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 256, as introduced, De La Torre. Public employees' health care: school employees.

The Public Employees' Medical and Hospital Care Act provides health benefit coverage to state employees and public employees of contracting agencies, as specified.

This bill would declare the intent of the Legislature to conduct a study to examine the feasibility and cost-effectiveness of creating a single statewide health care pool that would cover all public school employees working in school districts, county offices of education, and community colleges, as specified, or of including all school employees under the Public Employees' Medical and Hospital Care Act.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature hereby finds and declares all of
- 2 the following:
- 3 (a) There are over 6,000,000 children and nonelderly adults
- 4 living in California who have no health insurance.

1 (b) More than eight in 10 uninsured adults and children are in  
2 working families, including half who are in families with at least  
3 one adult employed full-time.

4 (c) According to a recent study, the annual cost of health  
5 insurance for a California family of four is now equivalent to 75  
6 percent of the annual earnings of a fully employed minimum  
7 wage worker.

8 (d) California health insurance premiums increased 11.4  
9 percent on average in 2004, more than six times the state's  
10 inflation of 1.7 percent.

11 (e) As health care costs increase, employers are shifting more  
12 of the costs to employees, who are paying more of their earnings  
13 for increased health care premium costs, deductibles, and  
14 copayments.

15 (f) California's health care crisis can also be seen in our  
16 schools where there are over 100,000 school employees without  
17 any health insurance.

18 (g) The majority of school employees who have no health  
19 coverage are the lowest wage earners in the schools, are  
20 overwhelmingly women, and many of them are minorities.

21 (h) School employees who are uninsured are usually uninsured  
22 because they are not given enough hours to qualify, have their  
23 hours reduced so they are no longer qualified, or the premiums  
24 are so high that they cannot afford the health coverage.

25 (i) Many school employees who are uninsured earn such  
26 modest incomes that their children qualify for the Healthy  
27 Families Program.

28 (j) There are over 1,000 school districts in California, and  
29 many of them purchase their own health plans, join with other  
30 school districts to purchase health care, or purchase health  
31 insurance for their employees through the Public Employees'  
32 Medical and Hospital Care Act (Part 5 (commencing with  
33 Section 22750) of Division 5 of Title 2 of the Government Code)  
34 (PEMHCA).

35 (k) There are hundreds of different health care plans that are  
36 administered for school employees statewide. There is no single  
37 health care pool for all public school employees.

38 SEC. 2. (a) It is the intent of the Legislature that a study be  
39 conducted to examine the feasibility and cost-effectiveness of  
40 creating a single statewide health care pool that would cover all

1 public school employees working in school districts, county  
2 offices of education, and community colleges.

3 (b) The health care school pool study shall, at a minimum,  
4 include the following:

5 (1) A review and analysis of the costs, cost savings, benefits,  
6 and drawbacks of creating a health care pool for all public school  
7 employees in California, including retirees.

8 (2) An analysis of rates, including both a regional rating  
9 structure and a single statewide rating structure.

10 (3) An analysis and reporting of any and all cost savings in the  
11 administration of a single health care pool for all school  
12 employees compared to the current process that includes  
13 hundreds of different plans.

14 (4) An examination of plan design options in the health care  
15 school pool.

16 (5) An analysis of the feasibility and cost savings of including  
17 all school employees in the current Public Employees' Medical  
18 and Hospital Care Act (Part 5 (commencing with Section 22750)  
19 of Division 5 of Title 2 of the Government Code) (PEMHCA)  
20 plan, as the health care pool for all school employees.  
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